



**Testimony of David Thomas,
AARP Connecticut Volunteer Chairman for Economic Security
S.B. 1 Testimony on Sections 50 and 90**

Good afternoon, my name is David Thomas; I am an AARP volunteer and AARP's representative on the Low-Income Energy Advisory Board. Overall, AARP supports Senate Bill 1. I will provide testimony today on Sections 50 and 90 of the bill, which we believe are very beneficial sections for our low-income members.

AARP supports section 50 of the legislation, a fully funded and well-promoted low-income discount rate for consumers with residential utility burdens that exceed the median percentage of household income spent on utility services.

Connecticut needs a discount rate to address the disproportionate energy burden placed on low-income families and seniors. With a discount utility rate, low-income households would be better able to afford their gas and electricity bills and, rather than simply providing a subsidy, the discount rate embraces a market-based approach that rewards efficiency and conservation. A discount rate will also help prevent costly shut-offs and collections that result when low-income consumers cannot keep up with payments.

AARP believes the discount rate should be based on income and funded largely by replacing existing low-income programs, thereby minimizing any potential cost-shift to other rate-payers. We strongly supported legislation last session that would have established a low-income discount rate for electricity and we will advocate again this year to make certain the discount rate is passed and signed into law by our new governor.

Too often low-income older people risk their health or comfort by choosing between cutting back on energy expenditures and reducing spending for other necessities.

Additionally AARP supports Section 90, financial assistance for the replacement of natural gas or oil heating equipment. This would be done through the low interest loans from a revolving loan fund. The incentives must ensure that the recipient's energy savings exceed the loan repayment by at least \$100 per year and the loans must be payable on the borrower's electric or gas bill.

The terms of section 90 are critical to older people in Connecticut. Many times they lack the resources to replace inefficient heating equipment, which results in them paying more for their heating bill. Under section 90, however, consumers would receive savings from more efficient systems.

Sections 50 and 90 of S.B. 1, policies that were specifically included as part of AARP's 2010 State Voter Guide questionnaire, and both issues were overwhelmingly supported by members of the General Assembly. We are glad sections 50 and 90 were included in this important legislation. And, we want to make sure they are still left intact in the final bill that is passed by the General Assembly.